Daily Report

Latin America

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Friday
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OAS Head Warns Against Gulf War Consequences

FL0301200091 Bridgetown CANA in English '858 GMT 3 Jan 91

[Text] Washington, Jan 3, CANA—The permanent representative of the Bahamas to the Organisation of the American States, Margaret McDonald, has said the international community must find ways to avoid war in the Persian Gulf. The diplomat, who on Wednesday took over as chairman of the Permanent Council of the OAS for the next three months, said that a war in the Gulf would have catastrophic "humanitarian and economic consequences" for the countries involved and for small states such as those in the Caribbean.

In a interview with the CARIBBEAN NEWS AGENCY, McDonald said: "In a war there are no winners." She noted the Gulf crisis has had a negative impact on the economies of small nations, with increases in the price of fuel.

"Looking at it from the humanitarian and the economic standpoint I do not see any benefit being derived to anyone if there is a war and the international community, through the United Nations must find ways to avoid the outbreak of war," she asserted.

She said the threat of war had come at a time when trouble spots in this hemisphere were experiencing peace. She referred to Haiti, which held elections last month.

Caribbean, Suriname To Present Projects to OAS

FL0301204091 Bridgetown CANA in English 2011 GMT 3 Jan 91

[Text] Castries, St. Lucia, Jan 3, CANA—English-speaking Caribbean countries and Suriname will present projects they want the Organisation of American States (OAS) [to] fund during its 1992-93 biennium at a three-day meeting opening here February 5, an OAS spokesman reported Thursday.

Todd Payne, director of the OAS office here, told the CARIBBEAN NEWS AGENCY that the three-day meeting will examine the development needs of the Caribbean sub-region and Suriname, as well as review recommendations contained in previous resolutions of two specialised agencies of the OAS.

The sixth programming and coordinating meeting of the Caribbean sub-region and Suriname is being sponsored by the Inter American Council for Education, Science, and Culture and the Inter American Committee for Economic and Social Affairs.

Payne reported that the meeting will be attended by a number of senior OAS officials including Mrs. Dorel Callander, the technical coordinator for the Caribbean. He said Guyana and Belize, two countries recently granted membership of the OAS, might be presenting projects for funding during the meeting.

Cuba

Escalona Meets Brazilian Socialist Party Leaders

FL0301220791 Havana Radio Reloj Network in Spanish 2032 GMT 3 Jan 91

[Text] Juan Escalona Reguera, president of the National Assembly of the People's Government, received Mr. Jamil Haddad, president of the Brazilian Socialist Party and Roberto Amaral, secretary general of the political organization, in this capital today. Haddad and Amaral are in Cuba at the invitation of the Communist Party of Cuba Central Committee.

Since their arrival in the country last Thursday, they have toured centers of socioeconomic and scientific interest and have met with party and government leaders. Escalona and the visitors exchanged views on current events, especially about the functioning of the Cuban and Brazilian parliaments.

Soviet 'Internationalists' Send Greetings

FL0301130091 Havana Tele Rebelde Network in Spanish 1200 GMT 3 Jan 91

[Text] Soviet internationalist combatants have sent a letter to Commander in Chief Fidel Castro in which this group of soldiers, who had been in Afghanistan and are receiving medical treatment at the Frank Pais Orthopedic Hospital in Havana, express their deepest gratitude to the Cuban people for their solidarity with those injured in the war. In their letter to Fidel, the Soviet internationalists congratulate him and all our people on the occasion of the 32d anniversary of the triumph of the Cuban revolution and wish us a happy new year, and that this new year will bring Cuba success in building socialism.

Havana Radio Notes Cambodian Leader's Remarks

FL0201193591 Havana Radio Progreso Network in Spanish 1725 GMT 3 Jan 91

[Text] A high-ranking Cambodian leader has stated that Cuba is advancing in all fields of socioeconomic development under the guidance of its party and President Fidel Castro. This was said at an event marking the 32d anniversary of the triumph of the Cuban revolution and was broadcast on local radio. Sim Ka, an alternate member of the Politburo of the Kampuchean People's Revolutionary Party and its secretary for Phnom Penh, saluted Cuba's determination to build socialism.

Havana TV Reports French Support, Donation

FL0301131091 Havana Tele Rebelde Network in Spanish 1200 GMT 3 Jan 91

[Text] Representatives of Latin American organizations and the Cuba-France Friendship Association have stated that Cuba represents hope for the revolutionary movement. This was expressed to Cuban Ambassador to France Fernando Florez Ibarra, who received a donation of 10,000 francs—about $2,000—collected during a day of solidarity with Cuba held on 15 December. On that occasion, Latin American and French people expressed their support for the Cuban revolution.

Anguilla

Top Officials, Politicians Appeal for Unity

FL0401002791 Bridgetown CANA in English 2112 GMT 3 Jan 91

[Text] The Valley, Anguilla, Jan 3, CANA—Governor Brian Cantry, Chief Minister Emile Gumbs, and opposition politicians have called on Anguillians to make unity a main priority in 1991.

"Resolve in the New Year to put aside petty squabbles and jealousies and work for the common good of humanity everywhere," Cantry urged.

Chief Minister Gumbs said Anguillians should put aside slight differences and work together for the continued development of the island, for present and future generations.

"Our future and.... Certainly the year 1991 promises to be a bright one. Let us go on achieving together," Gumbs added.

Opposition leader in the Anguilla House of Assembly, Hubert Hughes, said the challenges facing Anguilla in the New Year and throughout the 90's require a genuine effort towards reconciliation.

"It is an effort which should be free from party politics and personal ambitions.... with a stagnating economy very little can be done for social and economic progress without tolerance and national cooperation," Hughes said.

Former minister of social services, and now opposition member, Victor Banks said there was need for Anguillians to look back at days when they were united and ask themselves whether they are still on track with these objectives.

Barbados

NDP Launches First Election Campaign

FL0301191591 Bridgetown CANA in English 1750 GMT 3 Jan 91

[Text] Bridgetown, Barbados, Jan 3, CANA—The opposition National Democratic Party (NDP), taking part in its first general election, officially launched its campaign Wednesday night with a promise to introduce integrity and anti-corruption legislation "with the utmost haste" if elected as the next government of Barbados in the January 22 elections.

Party leader Dr. Richie Haynes, who formed the party two years ago after he and three other parliamentarians broke with the ruling Democratic Labour Party (DLP), said the NDP aimed to introduce a new political order in Barbados. Haynes, a former finance minister in the outgoing DLP administration, also pledged at a public meeting outside Bridgetown that an NDP government would introduce a new system of fixed salaries for ministers and parliamentarians for the duration of their five-year elected term.

"I think it is obscene he said of the current practice of MP's [Members of Parliament] voting themselves salary increases.

"The only kind of debate on salary increases that I will participate in is to introduce a bill relating to a subsequent parliament," chosen after fresh elections.

Haynes accused the outgoing administration of "lawlessness" in its management of the country, citing as an example recent government borrowings from the central bank above the legal limit and the subsequent passage of legislation validating such acts and raising the limit. Haynes suggested such actions eroded public confidence in government, reporting a major problem for the party in campaigning so far had been voter disillusionment. He said measures such as the introduction of integrity legislation were aimed at restoring public confidence in government.

The NDP meeting was the first major one by the three parties contesting the January 22 election, announced by Prime Minister Erskine Sandiford at the weekend. The Barbados Labour Party (BLP) is the other party in the race.

Haynes said the proposed integrity legislation would require ministers and parliamentarians to publicly declare their assets and liabilities. It will also be applicable to the chairmen of statutory corporations. He said an NDP government would end the practice where a prime minister is paid a housing allowance if he chooses not to live in Ilaro Court, the official residence.

An NDP government would also make parliamentarians eligible for pensions at the retirement age of 65, except in cases such as illness and disability. Haynes said the pensionable age for parliamentarians had been brought down to 50 years, making persons like himself eligible. After 12 years in Parliament, he said he would receive a tax-free monthly pension of Bds 4,000 dollars (one Bds dollar equals 50 cents U.S.) for the rest of his life if he were to leave Parliament now.

Haynes also promised that an NDP government would amend the Constitution, if it obtains a two-thirds parliamentary majority, to end political interference in the civil service which, he said, was a source of frustration to civil servants. Thus, decisions related to the running of the civil service, such as appointments, transfers, and dismissals, would be restored to the Public Service Commission, he said.

Haynes said the economic policies of the Sandiford government had put Barbados "in serious economic crisis."

"The kind of reconstruction effort that will be required after January 22 will be phenomenal in order to get this country back on anything like an even keel," he said.

The Barbados economy entered a decline last year after several years of real growth. The government has also acknowledged problems with the balance of payments.

At the meeting, the NDP completed its full slate of 28 candidates with the presentation of University of the West Indies (UWI) economist Wendell McClean as the party's standard bearer against Health Minister Branford Taitt in the urban St. Michael West constituency, held by Taitt since 1976. McClean, a leading party spokesman on finance, was an NDP senator in the outgoing Parliament.

Meantime, the ruling DLP officially launches its reelection bid Thursday with a meeting in the rural parish of St. Andrew. The BLP was pitching its platform in front of government headquarters, situated within Prime Minister Sandiford's St. Michael South constituency.

Editorial Points to Upcoming Election Issues

FL0301153591 Bridgetown CANA in English 1358 GMT 3 Jan 91

[Text] Bridgetown, Barbados, Jan. 3, CANA—Following is the text of the editorial in Thursday's edition of the NATION.

Law and order seems to be emerging as a major theme of all three of the parties contesting the January 22 general election. The basic difference is that the incumbent Democratic Labour Party has to defend its record in this area since taking over the reins of government in May 1986, while the Barbados Labour Party [BLP] and National Democratic Labour Party [as received] [NDP] must articulate in specific terms how they intend to deal with the escalating lawlessness and violence.

But we sound an early warning to all parties and their candidates, with the hope that it proves unnecessary: keep the country's police force and Army out of the election politics, and in turn, let the members of these forces refrain from becoming involved in any kind of party politics. Irrespective of which party is elected to govern this country, it is essential, in the interest of the rule of law, social cohesion, and a general climate of stability, that our disciplined services be kept out of party politics. Let the parties and candidates bear this in mind when making their platform promises and hurling accusations at the opponents.

Secondly, we feel that the promise of an orderly campaign, free of violence, is best assured if all parties and candidates make a special effort to deal with issues rather than indulging in personalities, or the low-level,

"yardfowl" politics that needs little imagination to whip up crowd emotions during the campaign.

The prime minister and the leaders of the NDP and BLP have the responsibility to set "the tone" for the behaviour of their party colleagues on the campaign trail. The public in general could in turn influence the quality of political presentations by showing their own distaste for gossip, slander, emotional name-calling, or race talk from the platform [word indistinct], how the problems facing this country should be approached.

There is still some bitterness at the last general election, when there was much propaganda about whose hands were tied, or who were involved in drug trafficking, and various forms of corruption.

The contesting parties and candidates have the opportunity with this election campaign to inspire, among the nation's youth in particular, a better appreciation for politics and our system of democratic government by the manner in which they conduct themselves in addressing the important national, regional and international issues of our times."

Haiti

Father Aristide Delivers New Year's Message

FL0301233591 Port-au-Prince Radio Metropole in French 1700 GMT 3 Jan 91

[Excerpts] President-elect Jean-Bertrand Aristide also delivered a message of good wishes which was broadcast on another station. Welcome to 1991. Macoutes are not admitted into 1991. Goodbye to 1990. This is precisely what the president-elect said.

[Begin Aristide recording] I come to wish you a happy New Year. The government must really be benevolent and all of us must really be upstanding so that the year can be successful because it pleases me to be kind to you. I am delighted to wish you a happy New Year. Your sufferings are my sadness. Your distress is my discomfort. [passage omitted]

Your success is my dream. Your success is my plan. I come to wish you a happy New Year through the hope of the avalanche flag. It takes two to tango. There are good people at the table. There are many good people under the table. When excellent people at the table side with worthy people under table, that makes people live, live with the hope of sitting around the table. Yes, it takes two good people to make an excellent team. It is my wish that the number of good people will increase, become a crowd, an avalanche of worthy people. Welcome, 1991. [end recording]

Lafontant Criticizes Speech

FL0301171091 Port-au-Prince Radio Soleil Network in Creole 1200 GMT 3 Jan 91

[Text] Roger Lafontant's party, the Union for National Reconciliation [URN], stated that it was with anguish that it followed the first presidential speech of Father Jean-Bertrand Aristide, during which the president priest began again to threaten, and to fling about venomous words that he has used in the country since February 1986. He has missed a rare occasion, the message continued, the unexpected occasion of the 16 December elections, to invite all Haitians to celebrate national reconciliation on the altar of 'Strength Through Unity' [Haitian national motto].

Again he has announced apocalypse, the URN statement said, uprooting at this important moment in the country's history a people who are by nature peaceful and conciliatory, and who are thereby prone to intimidation by threats and rage. Meanwhile, according to the URN, the president priest asks his partisans to organize themselves in each quarter into brigades, for discipline and cleansing, a recall of vigilance brigades.

Top 10 Political Figures of 1990 Cited

FL0301190091 Port-au-Prince Radio Metropole in French 1145 GMT 31 Dec 90

[Text] Now 1990 draws to a close. It took almost a year to learn that 1990 was to be a year of grace for Haiti, a watershed year in its national history.

It had begun on a grim note, with a party led by a conductor who, before the year was over, would go into exile. By contrast, 1990 is ending on a hopeful note: with a priest democratically elected president; a conciliatory political class; a people hopeful again and dreaming of democracy.

The perspectives are better today than they were in January 1990 when a state of siege was declared by a furious general who opened the year with arrests, human rights violations, and expulsions of the country's most influential people.

Several persons have left a lasting mark on Haiti this year, some for better, some for worse. Although there are countless individuals of whom this could be said, Radio Metropole today has chosen the ten most significant figures to leave their mark on the country during the year 1990. First we must mention the major and important role played by the Haitian people in laying down the foundation for a democratic society. That the first stone was set in place on 16 December, election day, cannot be minimized or forgotten.

Following are listed, in reverse order, specific personalities who have made an impression on Haitian history during the year 1990:

Abroad in the diaspora, Haitian expatriates have played a major collective role as the tenth most important political figure of the year. One of the historical facts achieved by Haitians living abroad was victory in the tough battle waged against discriminatory measures by the Food and Drug Administration [FDA]. The diaspora restored Haitian honor in a foreign land by forcing the FDA to withdraw its scandalous prohibition against Haitians' giving blood. This historical fact was achieved through a gigantic demonstration in New York, which drew over 100,000 people demanding the end of official victimization of Haitians in the United States. Haitians have also played an important role in the political decisions of their country while living in New York, Miami, and Canada.

The ninth most notable on the list is the rather negative figure of Roger Lafontant. His sudden return to Haiti in July has kept him in the news. Challenging an arrest warrant in his name—undoubtedly with the complicity of the nation's highest authorities—Roger Lafontant, an historical, notorious, macabre figure from the Duvalier era, has been a subject of controversy during a very long quarter of the year 1990, a quarter during which his presence in the country provoked a resurgence of fear, fear of return to the former order, return to macoutism.

While judicial debate raged over the arrest warrant of government commissioner, Bayard Vincent, Roger Lafontant quietly moved around the country in a massive pre-electoral campaign marked by inadmissible violence against journalists and peaceful demonstrators. He organized the Sibert Congress at the Vertaillis night club, and presented himself as a presidential candidate in October, but the Provisional Electoral Council [CEP] disqualified his candidacy.

The eighth figure, General Prosper Avril, the man who represented himself as savior of the nation on 17 September 1989 [year as heard] by ridding the country of the threatening dictatorship of General Namphy, soon showed his true colors and real political intentions. In January 1990, Prosper Avril had some of the most powerful elements within the political class arrested, beaten, and in some cases, exiled, then declared a state of emergency throughout the country after making a trip to Taiwan, the Republic of China. Prosper Avril resigned in March 1990 and left the country under the joint pressure of the people and the American Embassy.

In seventh position is a woman, Mrs. Irene Ridore. Unknown before she acceded to the communal administration of the capital as mayor of Port-au-Prince, she has since left her name and her mark there. Irene Ridore especially marked her passage through Port-au-Prince administration by taking it upon herself to close city hall for restructuring, a deed followed by other government enterprises.

Irene put an end to zombie checks, checks made payable to people who do not actually exist, and regularly cashed by dishonest government administrators. She fired the sinecure employees and the Red Armbands, participants in the 11 Sept 88 Saint-Jean Bosco massacre ordered and financed by former Port-au-Prince mayor, Franck Romain, a well-known Duvalierist. Facing serious difficulties in paying the garbage collectors of Port-au-Prince, she denounced the administrative mess that characterized Port-au-Prince city hall and accused the minister of the interior, Joseph Maxi, of withholding the payroll funds of those under her jurisdiction. Before she was fired by the provisional government, she launched the Croix-des-Bossales public market clean-up operation.

Sixth personality is Dr. Louis E. Roy. After being exiled by the Prosper Avril government, he later returned to the country after the departure of one he called the "Haitian Pinochet" and was chosen president of the State Council, a kind of miniature parliament working alongside the president, at that time referring to Ertha Pascal Trouillot. This was according to agreements signed on 4 March by the Group of Twelve [Assembly for Concerted Action].

Did he fail in this work? No, he always answers: 'I did not have the means for my policy.' Dr. Roy, who is attacked almost every evening under the racist thrusts of Radio Liberte, a station very close to the macoutes, is still leading this state council that exists only in name.

In July 1990, after a number of misunderstandings with the Trouillot government, he announced his divorce from it, disapproved all acts of the government, and dissociated himself from it. He remained at the head of the State Council even after it lost one of its most important members, Serge Villard, who was assassinated in a cowardly way. By the grace of the president [Aristide] elected on 16 December, the State Council seems to be rising from its ashes and reassuming its role according to the 4 March agreement, an agreement not previously respected.

The fifth personality of the year: the loaded donkey, American Ambassador Alvin Adams. Having arrived in Haiti at the end of 1989, he had to wait until January 1990, about three months, before being received by the general president. It was because the American ambassador had a very specific mission, to force Avril to hold elections, or uproot him.

An enthusiast of Creole proverbs even before he took his post, Alvin Adams commented upon his arrival at the airport in Port-au-Prince: A loaded donkey does not stand straight. Since then, the American ambassador played an important and visible role in Haitian politics, inciting especially the fall and departure of Prosper Avril.

Mr. Adams has also experienced some setbacks, especially on the issue of elections, where his colleague, the French ambassador, seemed to have a little more political intuition than he by warning the Haitian electorate: The drum is heavy after the party. [Haitian proverb]

The fourth personality os Jean-Robert Sabalat, president of the fourth Provisional Electoral Council [CEP] who, after three unsuccessful attempts, presided over satisfying elections. Despite many threats of death, and systematic defamation campaigns in the neo-Duvalierist press, Jean-Robert Sabalat and his CEP colleagues—despite some organization and planning errors—performed the historical task of conducting the first free and democratic elections in Haitian history.

The third personality of the year 1990 in Haiti is General Herard Abraham, Army commander-in-chief. In March 1990, to everyone's surprise, Herard Abraham theatrically took the side of the 12 political parties of the Assembly for Concerted Action in order to pass on the power which he inherited at Prosper Avril's departure. To Mrs. Ertha Pascal Trouillot, chosen as the provisional president of Haiti, he had said the now famous sentence: Madam President, the Armed Forces are at your service.

Once he became the head of the Army, he applied himself to reorganizing it. He created the Committee for the Security of the Elections, putting the young men of the institution in charge. In December 1990, he realized the success of remaking the Army's image when his indispensable help contributed to achievement of Haiti's first free, secure elections.

In second position, Mrs. Ertha Pascal Trouillot, judge at the Supreme Court, became the first woman to accede to the presidency of Haiti by an almost general consensus of the main political parties. In the end, after much procrastination, she kept her promises to favor free and democratic elections in the country on 16 December. After the very demanding choice of a minister of finance, Mrs. Ertha Pascal Trouillot fell out with the State Council, the corps with whom she was meant to govern.

In May 1990, she met with the American President in the White House, after being warmly received in Miami by Mayor Suarez. She later went to Venezuela to meet with president Carlos Andrez Perez and later received in the National Palace in Port-au-Prince the American vice president, Dan Quayle.

Ertha Pascal Trouillot was never popular, but she will have carried out her mission, closely watched by public opinion which often disapproved her politics and her economic and financial administration. On 7 February 1991, she will leave—undoubtedly with head held high for having succeeded, at least on the electoral side—where so many men before her, especially generals, failed.

The first place goes beyond a doubt to Jean-Bertrand Aristide, president-elect of the Republic of Haiti. When in October 1990, Jean-Bertrand Aristide stood as presidential candidate, he took the opposite course of the entire Haitian political class and galvanized the population, especially the young people and the deprived, who had become indifferent toward traditional and worn political leaders who had not brought anything new in five years.

Confronting dictatorship with courage, with his love for the poor and his thirst for justice shared by an entire nation, the 37-year-old priest candidate had supported all Haitians' hope for a society marked with dignity, after five years of bloody humiliation, and 29 years of dictatorship. On 7 February 1991, Jean-Bertrand Aristide will turn one of the darkest pages of Haitian history, to begin a new chapter that everyone hopes will be glorious and dignified, 14 years away from the bicentennial of national independence.

Montserrat

Progress Since Hurricane Hugo Reviewed

FL0301231091 Bridgetown CANA in English 1619 GMT 3 Jan 91

[Report by Wylsie White]

[Excerpt] Plymouth, Montserrat, Jan 3, CANA—Montserrat faces 1991 with much-improved socioeconomic prospects after spending much of the past year on hurricane-rehabilitation work. Government officials have reported "extraordinary" growth of the economy due largely to the rebuilding programme. The year 1990 also saw infighting within the ruling party and opposition charges of mismanagement of the economy.

Montserrat was forced to concentrate its efforts on rebuilding after a levelling by Hurricane Hugo in September 1989. In this 39 square mile island of 12,000, the scars left by the hurricane are most visible on government buildings, the lone sea port in the capital, Plymouth, and the network of roads. Latest figures released by the authorities show 200 houses mainly in rural communities are still in need of reroofing under government rehabilitation programmes.

But the effects of Hugo run deep and psychologists here say some teenagers are still suffering from post traumatic stress disorder. At least one girl is still shocked to the point where she huddles in a corner at the sound of rain and has not attended school much since the disaster. The psychologists attribute a rise in violent crimes and fraudulent activity in 1990, to the effects of Hugo on young adults.

But there was a bright side. Head of the government's development unit, Reuben Meade, says the economy's "extraordinary performance" of 44 per cent growth in gross domestic product was due mainly to rehabilitation efforts, particularly in the private sector. Meade stated that the government's main problem was a shortage of expertise.

While attributing the growth rate to the significant inflows of capital and labour for hurricane rehabilitation efforts, a government spokesman was quick to caution

that they do not expect such growth rates to be sustainable. "They will undoubtedly decline to a more realistic rate of ten per cent in 1991," he said. The figure for 1989 was 22 per cent.

In the first eight months of the year the island's inflation rate leveled out at three per cent and was held down mainly by post-hurricane duty-free concessions, granted by the government.

The Persian Gulf crisis also had its impact here. The statistical department said although final figures were not yet available indications are that the cost of living, over the last three months, jumped by around 30 per cent—the same rate as the increase in fuel and electricity costs.

Apart from the problems of rehabilitation, the government of Chief Minister John Osborne was plagued by squabbling within his People's Liberation Movement (PLM). Infighting for the leadership of the party surfaced first as a rumour, but by September, Osborne himself confirmed what he said was a plot by some of his ministers, including his deputy, to remove him as leader of the party and chief minister.

He accused some ministers of incompetence and warned that unless their performance improved he planned to return to the polls before the five year term ends in 1992. Osborne's statement brought immediate reaction, from his deputy, Benjamin Chalmers, who among other things, accused him of lying to the island's executive council. The issue cooled after Chalmers retracted his statement, but at year-end all still did not seem to be well within the ruling party, and there was speculation that Osborne would call general elections early in the New Year, and either run as an independent or head an almost completely new team.

During the year the opposition took a vote of no confidence to Parliament, accusing government of failing to give priority to repairs of the island's only hospital and Osborne of using his office to gain freight for his boats. The motion was defeated as the three government ministers rallied to defend their performance.

1990 saw a downturn in agriculture and industrial activity. Director of Agriculture Frankie Michael said post Hugo rehabilitation dominated the sectors efforts. He said his department concentrated on replacing equipment and the distribution of planting material. While recovery in poultry was swift, they still had a challenge on their hands to bring vegetable production back to pre-Hugo levels, he stated. Presenting his budget for 1991, Osborne said he was confident that what he termed a new emphasis on agriculture will make the year a brighter one for the island's farmers.

There was little industrial activity on the main industrial estate during the year, but by year-end the government reported that three new factories could be operating by the first half of 1991. These include a million dollar [one East Carib dollar = 37 U.S. cents) agro-processing plant which will be owned and operated by the private sector, a fibreglass company, and a soft drink and perfume bottling plant. Meade says that regarding industrial development government was concentrating on local investors as well as Montserratians living overseas.

In December, Osborne announced a 10 per cent reduction in the company tax rate, a move he said was designed to encourage the expansion of local companies.

Tourism, virtually destroyed by the 1989 hurricane, made a slow recovery during the year. Of the two major hotels, one reopened for business nearly a year after the storm while the other still under repairs has just started a limited service. Villas which provide the bulk of accommodation for tourists have almost recovered to pre-Hugo levels, but operators are worried that bookings for the 1990/1991 season are below the normal level for the early part of the season. Work on the rehabilitation of tourist sites is continuing. [passage omitted]

El Salvador

Helicopter Downing Receives Further Examination

Rebels: Aircraft Fired on Civilian Areas

PA0301172391 (Clandestine) Radio Venceremos in: Spanish to El Salvador 0000 GMT 3 Jan 91

[Text] A helicopter equipped with rocket launchers has been shot down in Lolotique Canton, northern San Miguel Department. A preliminary report says that at 1430 today, 2 January, our antiaircraft forces opened fire on a UH-1M military helicopter, equipped with rocket launchers, while it fired on areas populated by civilians in the Lolotique Canton in San Miguel Department.

The report states that after the military helicopter was shot down, our forces captured the remains of the helicopter and found three bodies with documents that identified the crew as foreigners. Three Browning 9-mm pistols were seized from them. An M-60 machine gun, ammunition, and other documents were also seized.

This has been the preliminary report received by Radio Venceremos from the northern sector of San Miguel Department. We will have more reports on this situation.

Rebel Radio Corrects Details on Crash

PA0301172691 (Clandestine) Radio Venceremos in Spanish to El Salvador 0200 GMT 3 Jan 91

[Text] Attention, attention. The following is an official report:

At first we stated that the helicopter had opened fire. We want to rectify that report. The correct information is that the helicopter was overflying war zones in the eastern part of the country.

Our forces opened fire against a helicopter that was overflying war zones, which have been the scene of heavy clashes during the last few days.

Here we have the report sent by the northeastern front. The report indicates that the pilot of the downed plane is U.S. citizen Daniel Scott; that the copilot's last name, who is also a U.S. citizen, is Pickett; and that the mechanic's last name is Dawson. These are the identities of the three armed men who were flying a helicopter gunship. The helicopter was equipped to launch military rockets.

We repeat: The pilot's name is Daniel Scott; the copilot's is Pickett; and the mechanic's is Dawson. The helicopter was flying from Ilopango to San Miguel. The men had military radios, Browning pistols, and one M-60 machine gun.

The helicopter was overflying a war zone and our men could not tell whether it was a combat aircraft overflying a war zone. The downing of the helicopter took place within this context. The action occurred in a war zone in the eastern part of the country.

This situation should make U.S. advisers, who overfly war zones, think about the situation. This action is included among other military actions that have been taking place in the eastern part of the country.

This is a war action that takes place within a war zone. We believe this type of action should contribute to accelerating the negotiations and to deepen our thinking about the situation. This type of action should lead us to think that we must end the country's conflict through a political solution.

Now that there is a table for negotiations with the participation of the United Nations, the parties involved should reach political agreements leading to the peace we all long for and to the end of military actions. That is the will of the Farabundo Marti National Liberation Front.

This action, which has taken place in a war zone, should help all groups involved, including the U.S. Government, think about the situation and to seriously seek political agreements that will end the bloodshed and the war once and for all and that will lead us to peace.

Eyewitness Recounts Crash

PA0301212891 San Salvador Radio Cadena YSU in Spanish 1730 GMT 3 Jan 91

[Report by Carlos Mario Marquez]

[Excerpts] Regarding the downing of the helicopter yesterday, perhaps the eyewitness report from the peasants in the area of San Francisco Canton is somewhat different than the report we heard from Washington a few minutes ago. Washington reported that the U.S. military advisers were shot by the rebels.

This morning when we got here, the peasants told us that two of the three members of the crew were taken out of the helicopter alive but died shortly thereafter. When we arrived in the area, we saw pieces of the helicopter strewn in a 20-meter radius and heard the peasants talking about its downing. The peasants confirmed that the helicopter crashed in the area of San Francisco Canton, located 145 km from San Salvador, on 2 January at 1430. The helicopter crashed into some 50-meter hills in the area. [passage omitted]

Silvio Mendez, the peasant who pulled two of the U.S. soldiers out of the helicopter, told Radio Cadena YSU that San Francisco Canton was in the hands of the Farabundo Marti National Liberation Front [FMLN] rebels on 2 January. Mendez said that he heard the helicopter approaching the canton and that in a matter of seconds shots were fired, followed by an explosion. Mendez added that the rebels told the peasants who live in the area about what had happened.

Another peasant who asked to remain unidentified said that the two U.S. military advisers died 20 minutes after they were removed from the helicopter. He added that

one of the soldiers asked for water. After the soldiers were taken out of the helicopter, the rebels burned the UH-1M helicopter.

Silvio Mendez tells us what he saw:

[Begin recording] [Mendez] From our house, we saw the helicopter go down. We ran to my father's house, and we were still there when we got the orders from the rebels to help them.

[Marquez] Were shots fired from the helicopter, or were the rebels the only ones who fired any shots?

[Mendez] We do not know. We do not know what happened. When we got to the place where the helicopter crashed, the rebels asked us to help get the men out of the helicopter so that they would not burn. That is all.

[Marquez] How many men did you rescue?

[Mendez] Two.

[Marquez] Were they alive?

[Mendez] They were alive when we moved them approximately 20 meters from the crash. The other man was already dead. We left him there.

[Marquez] After the helicopter was downed and after you rescued the men, did the helicopter catch fire?

[Mendez] We do not know. We left to get water for one of the gringos. When we got back, the helicopter was burning and we could not get close. We saw all that from far away and we turned back.

[Marquez] What time was it when the helicopter was downed?

[Mendez] Between 1400 and 1500.

[Marquez] Were there many rebels in the area?

[Mendez] Yes, quite a few. [end recording] [passage omitted]

Leftist Leader on Downing

PA0301231791 San Salvador Radio Cadena Horizonte in Spanish 1800 GMT 3 Jan 91

[Text] Ruben Zamora, member of the Political Committee of the Democratic Convergence [CD], has asked the United States not to react negatively to the death of three U.S. military advisers. He also accused the U.S. Government of changing its political strategy to defeat the FMLN [Farabundo Marti National Liberation Front].

The CD said that the United States continues to follow an ambiguous scheme in its attempt to defeat the FMLN by changing the war strategy for an alleged peace process through negotiations. Within that framework, the CD said that the United States should not send more military aid to the country in reaction to the recent downing of a helicopter by the FMLN in which three U.S citizens were killed.

Zamora said that after maintaining military governments in the country for more than a decade in an attempt to defeat the FMLN through war, the United States has realized that this is not possible. It now supports the negotiation process with the intention of defeating the FMLN and continuing its intervention on the isthmus.

[Begin Zamora recording] The United States is not here to defend democracy or to make peace. They only use that rhetoric. If they really wanted to defend democracy, they have had about 50 years to do so, but instead they have supported all the military regimes responsible for the current situation. They are here to try to defend what they consider their strategic geopolitical interests. That is not going to change, and we should know that. I believe that what progressive and really democratic forces should do is not let that U.S. attitude make us adopt a servile position, which is what the current and the previous government have done; they bow their heads and fall to their knees. I agree, however, that we cannot and should not be a threat to the United States or any other country. [end recording]

Zamora added that the Bush administration is not exerting enough pressure on President Alfredo Cristiani or the Armed Forces because it fears that the Army could be dismantled, which could result in an FMLN military victory.

Commenting on the downing of an Air Force helicopter with three U.S. citizens on board, Zamora said that it would not be very smart for the Bush administration to react with more military aid. He added that the best thing to do would be to give its full support to the negotiating process between the government of Alfredo Cristiani and the FMLN.

[Begin Zamora recording] There can be two types of reactions. One, which would be the less advisable, would be to say: They killed an American! This is intolerable; therefore, we will give the Salvadoran Government more aid. In my opinion, this would be an absurd and not very intelligent reaction.

The other reaction would be to say: Oh well, the guerrillas downed a helicopter. Logically, they do not stop to see if the pilot and other crew members are blond. They simply shoot at the aircraft and bring it down, because this is war. In that context, the United States should realize that this can happen again as long as there is war in El Salvador. We already have 70,000 dead, while they have had seven or eight. [end recording]

Zamora stressed that for more than 50 years, U.S. Governments have sustained military governments in El Salvador, supposedly to defend democracy. In reality, however, this U.S. attitude has been and continues to be

directed at continuing its intervention in the country and defending its geopolitical interests.

U.S. Coroners To Investigate Crash

PA0301224491 Panama City ACAN in Spanish 2035 GMT 3 Jan 91

[Text] San Salvador, 3 Jan (ACAN-EFE)—Salvadoran Foreign Minister Manuel Pacas Castro reported today that a U.S. team of experts is expected to arrive in the country within the next few hours to conduct autopsies on the bodies of the three U.S. military men who died after the guerrilla movement downed a helicopter on Wednesday, 2 January.

Pacas Castro told the press that the United States "is extremely concerned" about this incident, which took place in Lolotique Jurisdiction, eastern San Miguel Department.

Pacas added that the U.S. experts will conduct investigations to determine the causes of the death of the military men. The Salvadoran Army identified the three men as Lieutenant Colonel David J. Pickett, Flight Technician Daniel S. Scott, and Corporal Earnes Dawson, the mechanic.

This afternoon the U.S. Embassy in El Salvador released a State Department communique confirming the downing of the U.S. helicopter, which was conducting a "routine mission" and was returning from San Salvador to its base in Honduras.

The State Department communique says: "At approximately 1430 (2030 GMT) yesterday afternoon, three members of a U.S. crew died when their transport helicopter was downed by rifle fire in the eastern part of El Salvador. FMLN [Farabundo Marti National Liberation Front] guerrillas have claimed responsibility for this action."

The FMLN said that its forces opened fire against a "UH-1H" helicopter that was overflying the area of Lolotique. Lolotique Jurisdiction has been the scene of heavy clashes between the Salvadoran guerrillas and Salvadoran Army troops during the last few days.

The FMLN added that, after downing the aircraft, "our men found the bodies of three men carrying documents that identified them as foreigners."

The U.S. State Department communique says that "it seems that there is a serious inconsistency in the FMLN version. The helicopter landed under control. The three U.S. military men, however, showed clear pistol shots to their heads, and two of them did not show any other obvious wounds."

The communique adds that a team of U.S. coroners is about to arrive in El Salvador to investigate the circumstances surrounding the death of the three U.S. military men.

Peasants who live in the Lolotique area and who were interviewed by local television said that they helped the rebels get the three U.S. military men—still alive—out of the aircraft and that the three men died a little while after that.

The U.S. State Department communique states that "this FMLN action takes place while the FMLN claims to be interested in reaching agreements to end the war." It adds: "On this occasion, it is U.S. citizens, not Salvadoran citizens, who have been victims of the FMLN's hypocrisy."

FMLN Denies U.S. Advisers 'Executed'

PA0401033691 Paris AFP in Spanish 0154 GMT 4 Jan 91

[Text] San Salvador, 3 Jan (AFP)—The Salvadoran guerrillas today stated that "it is completely false" that its units executed three U.S. military advisers after the helicopter in which they were traveling was downed on 2 January in Lolotique, in the eastern part of the country.

In this manner, the Farabundo Marti National Liberation Front (FMLN) replied to a version given by the U.S. State Department accusing the FMLN of killing at least one of the advisers and reiterated the rebels' determination not to attack U.S. personnel.

In a communique read by Radio Venceremos, the FMLN said that after downing the aircraft with rifle fire, the guerrillas proceeded to evacuate the crew members and noticed that one of the pilots who had a bullet wound in his head was dead and that the other two were seriously wounded.

Radio Venceremos added that after giving them "first aid attention" they were taken to San Francisco Canton, approximately 145 km east of San Salvador in San Miguel Department.

The clandestine radio station reported that the U.S. military advisers "did not survive due to the seriousness of their wounds. [quotation marks as received]

The rebels said that their version can be corroborated by "dozens" of witnesses in the town.

Radio Venceremos noted that five hours after the incident, Salvadoran Air Force helicopters arrived at the scene and while landing "could have been easily attacked and downed by our forces."

In that regard, the communique noted that the FMLN's Eastern Front Command ordered not to open fire on the aircraft to permit the evacuation of the three U.S. military advisers.

According to the rebel's version, on 2 January, FMLN fighters were holding a meeting with the town's civilian population, when a helicopter gunship equipped with two M-60 machine guns appeared and overflew the area at low altitude. The aircraft "had no visible markings" to identify it as a U.S. military aircraft.

"Assuming that the aircraft would strafe the civilians attending the meeting as the Salvadoran Air Force usually does, our fighters attacked the helicopter with rifle fire, putting it down instantly," the radio station added.

Nevertheless, the FMLN communique stressed that the incident "in no way changes its determination not to attack U.S. personnel, a decision that will be maintained. Although, according to reports the aircraft involved was heading to Honduras, it was overflying the area at a very low altitude in a war zone."

The FMLN categorically stated that "we cannot guarantee the lives of soldiers who use military aircraft or who may happen to be in the enemy's garrisons."

Leftist Leader Endorses U.S.-Rebel Negotiation

PA0401044591 San Salvador Radio Cadena Horizonte in Spanish 1800 GMT 3 Jan 91

[Report by Hilda Quijano in San Salvador]

[Text] The Nationalist Democratic Union, UDN, a leftist party, has stated that the United States must adopt a much more specific position this year concerning the peace process because the war might end if the Bush administration endorses a purge of the Army. The UDN said that the United States could play a decisive role in the search for a negotiated solution to the war in our country simply by exerting pressure on the Armed Forces to conduct a purge and substantially reduce its forces.

UDN leader Luis Galvez said that, although the U.S. Government does not possess all the basic elements for a political solution to the war, including complete control of the Salvadoran Army, it could easily endorse an internal reorganization of the Armed Forces this year. This would certainly help the negotiations between the government and the guerrilla groups, he said.

[Begin Galvez recording] We have information that the U.S. Government might be willing to exert pressure on the Salvadoran Army, meaning the Salvadoran Armed Forces, to implement a substantial reduction of forces and to conduct a purge, at least for the sake of appearances, among some commanders. We learned today that some high-ranking military commanders might even retire to allow the passage of a new generation.

We believe that the United States exerts a total, decisive, and absolute influence on this government. I can even say that if Bush whistles, Cristiani dances. Therefore, whatever happens in the United States greatly influences our country. We, of course, want to warn our listeners. The problem is that the United States does not have all the elements for a solution. [end recording]

Nevertheless, U.S. pressure on the Army might provoke a negative reaction for the peace process because a sector of the Armed Forces could opt for a violent solution, thus unleashing further bloodshed among the civilian population, the UDN leader said. Referring to this, Galvez said the U.S. Government must meet with the Farabundo Marti National Liberation Front [FMLN] General Command to clearly state what the U.S. attitude will be toward the negotiation process and the rebels' demands.

[Begin Galvez recording] The United States has to negotiate with the FMLN. This option has been neglected until now. The United States now wants to appear as a mediator—even as a conciliator—when it is responsible for the war in our country. The United States is responsible for the war. It is guilty of supporting the Army and of pushing the Christian Democrats to (?an alliance) with the Army in 1980. It is responsible for the war.

Therefore, the United States cannot exclude itself from all this. It is the third party involved in the issue. There is now a fourth party involved, meaning the United Nations. Consequently, the United States must negotiate with the FMLN, and it must negotiate on an equal basis. The FMLN does not [words indistinct] to negotiate with the United States, but it is not overly eager to negotiate with the United States, either. [end recording]

Even though the UDN leader said that the main issue, which has caused a stalemate in the peace talks, is the topic of the Armed Forces, he said that the solution to the war could be achieved this year through a political negotiation which might have favorable results. The results would represent the groundwork for reaching a cease-fire to the war and an accomplishment of the UN's participation in the negotiations. The international organization is trying to make substantial progress in the peace negotiations with a proposal on the military issue, leftist leader Luis Galvez said.

FMLN Views Nicaraguan Weapons Purchase

PA0301193391 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 3 Jan 91

[Communique issued by the General Command of the Farabundo Marti National Liberation Front (FMLN) in El Salvador on 2 January—read by announcer]

[Text] Throughout the war in El Salvador, the United States has supplied the Salvadoran Army with many airplanes and helicopters that have been used to cause damage and kill the civilian population. The FMLN has constantly used all kinds of resources, including missiles obtained in some countries, to destroy those machines.

Several aircraft were shot down with different kinds of weapons during the past military campaign, causing a clear defeat for the Salvadoran Air Force.

The Cristiani government, with help from the United States, is trying to stop the use of missiles by using all kinds of resources, including pressure on the Nicaraguan Government. This pressure has resulted in the capture of some of our fellow countrymen in Nicaragua.

In view of this situation, we state:

1. It is totally false that Commander Joaquin Villalobos, member of this General Command, has been involved in receiving these weapons or in any other transaction regarding these weapons.

2. That the Salvadorans who have been arrested are not involved in the alleged arms trafficking; thus, we repudiate their capture and the methods used to achieve it. We demand that the Nicaraguan Government set them free at once.

3. That while the war lasts and the U.S. support for the Salvadoran Army continues, the FMLN and the Salvadoran people have the legitimate right to arm themselves. If the Army's staff continues to bomb, the FMLN will continue to use all kinds of weapons, including missiles, against the criminal Air Force.

4. That since the days of Sandino, blood flows through all Central Americans' veins. It is the blood of brotherhood, which has created a feeling of solidarity and unity in the struggle for fair causes throughout the continent. This feeling will not end because of U.S. pressures and the desperation of Cristiani's antidemocratic and sold-out government.

[Signed] General Command of the FMLN, commanders Salvador Sanchez Ceren, Francisco Jovel, Eduardo Sancho, Jorge Shafik Handal, Joaquin Villalobos.
[Dated] El Salvador, 2 January 1991.

Extradition of 11 Arrested Citizens Not Sought

PA0301221691 Panama City ACAN in Spanish 2106 GMT 3 Jan 91

[Text] San Salvador, 3 Jan (ACAN-EFE)—Foreign Minister Manuel Pacas said today that the Salvadoran Government will not seek to extradite the 11 Salvadoran citizens arrested in Nicaragua for their suspected involvement in the sale of surface-to-air missiles to the Farabundo Marti National Liberation Front (FMLN).

The minister said the Salvadoran authorities are not planning to request the extradition of those arrested because "the action occurred in Nicaraguan territory and the criminals, whoever they may be, fall under that jurisdiction."

Eleven Salvadorans and four Sandinist People's Army members have been charged by the Nicaraguan authorities of illegally selling 28 SAM-14 and SAM-7 missiles to the FMLN in October.

In a communique, the FMLN General Command said the missiles were obtained in various countries and denied that Joaquin Villalobos, one of its five members, is involved in the purchase of those weapons, as the Salvadoran authorities have stated.

Meanwhile, the Salvadoran Armed Forces said they were "pleased" by the arrest of the Sandinist soldiers and the 11 Salvadorans and also by the fact that the Nicaraguan Army has stated that the sale of the missiles to the FMLN is "adventurous and illegal."

Using missiles, the guerrillas downed two Salvadoran Air Force planes during the military offensive that began in November and ended on 31 December. Last night they announced they reserve the right to "arm themselves" if the United States continues to support the Salvadoran Army.

Prosecutor's Office Denies Prosecutors Fired

PA0301201591 San Salvador LA PRENSA GRAFICA in Spanish 27 Dec 90 p 44

[Quotation marks as published]

[Text] "It is false that one or more of the prosecutors that are investigating the murder of the Jesuits were dismisssed or removed from the case," states a press release issued by the General Prosecutor's Office, dated 24 December [date as published]. It was delivered by the head of that office Dr. Roberto Antonio Mendoza Jerez.

"The reports of alleged dismissal or removal of prosecutors from this case are solely the product of false and groundless speculations," the text of the document states. The document reads as follows:

"During a meeting held today with General Prosecutor Roberto Antonio Mendoza Jerez on the matter of the alleged dismissal or removal of some special prosecutors who are working in the process begun against the persons implicated in the murder of six Jesuit priests and their two maids, which took place in November 1989, the aforementioned official categorically stated:

"It is totally false that one or more of the prosecutors working in the process since the start of the investigation of this regrettable incident have been dismissed or removed; the reports of the alleged dismissal or removal of prosecutors from this case are solely the product of false and groundless speculation. "He added that he wants to clearly state that the involvement of the General Prosecutor's Office in this case, as well as in other delicate cases, has always been highly conscientious. In this special case of the Jesuits, his agency has been actively involved in all the actions conducted to date, which have been carried out by a team of eight prosecutors appointed to this effect.

"Dr. Mendoza Jerez vehemently stated that his office is conducting a serious, efficient, and highly professional job in this case. It has already achieved positive results, such as the arraignment of the defendants ordered by the fourth penal court judge, which has been widely reported to the public. "He flatly stated that team work is taking place in this special case, and the possible voluntary withdrawal of any of the participating prosecutors would be irrelevant because it would not hurt the efficiency of the mission entrusted to the General Prosecutor's Office.

"The general prosecutor said that despite the speculation on the purported dismissals or removals of some of the prosecutors assigned to the case, he feels very satisfied over the work they have carried out and that all of them deserve his full confidence. In fact, in January 1991 he will greatly increase the Human Rights Defense Unit that is handling this case. As a result, the assistant agents of this unit will receive economic incentives. This does not mean they will be removed from the cases they have been handling, but, on the contrary, it is a way to encourage them to continue working with the same dedication they have shown until now.

"The general prosecutor gave an example of the efficiency with which the eight prosecutors assigned to the 'Jesuits case' have worked: During the course of the investigation, other criminal behavior was detected in which certain people appeared to be involved, but whose names did not appear at the beginning of the investigation; but their responsibility has been legally established. The judge hearing the case has, therefore, ordered their arrest.

"I want to stress, the general prosecutor said, that the General Prosecutor's Office's mission is to guarantee absolute respect for the law, and that if at this new stage of the process—the plenary—other persons are found to be involved in such an abominable crime, whomever they may be, their case will be handled according to the law so they too will receive the punishment they deserve.

"Lastly, the prosecutor general said that he understands that his office could eventually find itself without the assistance of some of the prosecutors working on the Jesuits case, either due to better job opportunities, or due to their own decision to enter private practice, or for another similar reason. He added, the Salvadoran people, the Society of Jesus, and the international community, however, must be completely confident that the General Proscutor's Office will always maintain its professionalism and high responsibility during the trial and will continue to employ all the legal means at hand, just as it has done up to now, so that those responsible for such a horrendous crime are punished with the full force of the law.

"San Salvador, 26 December 1990. Prosecutor General Dr.Roberto Antonio Mendoza Jerez."

Guatemala

Report Portrays Negative Year for Human Rights

PA0301202791 Guatemala City EL GRAFICO in Spanish 31 Dec 90 p 4

[Article by Rony Ivan Veliz]

[Text] Guatemala City, 31 Dec—Last year, 1990, was also negative as far as effective respect for human rights is concerned. The Center for Human Rights Investigation, Study, and Promotion in Guatemala [CIEPRODH] has reported that the Guatemalan Government and its representatives are responsible for the serious and systematic violation of the fundamental rights and freedom of human beings.

The report indicated that basic human rights are constantly being violated, especially those pertaining to civil and political rights, such as the right to life, free movement, free choice of residence, and freedom of expression.

CIEPRODH Director Factor Mendez said that the organization has reported 751 murders, 113 murder attempts, 88 disappearances, and 83 cases of torture.

He added that between January and November 1,552 violations of the right to life (under Civil Law) were reported; 524 of these were reported during the first quarter.

The 113 murder attempts that occurred during the 11 months that were analyzed represent 8.57 percent of the total 1,552 violations. Eighty-three other victims, 5.35 percent, were subjected to torture, while nonjudicial executions (murder) topped the list with 751 cases, which represents 48.4 percent. Ninety-two persons were kidnapped and later murdered, Factor Mendez said .

Once December violations are recorded, the final count could reach 1,700 violations of the right to life. The report added that although this year there has been another drop in human rights violations compared to previous years, the phenomenon of impunity has been gaining strength, further worsening the human rights situation.

The report shows that the majority of victims, 79 percent, were men, while women represented 13 percent.

Government To Reestablish Relations With USSR

PA0401024291 Mexico City NOTIMEX in Spanish 0244 GMT 4 Jan 91

[Text] Guatemala City, 3 Jan (NOTIMEX)—The Foreign Ministry announced here today that Guatemala and the Soviet Union will reestablish diplomatic relations after a 37-year interruption.

NOTIMEX has learned that the protocol notes will be exchanged at UN Headquarters in New York on 4 January.

Relations between the two countries were never broken, but they were interrupted by Guatemala in 1954.

Guatemalan Foreign Minister Ariel Rivera announced that the Soviet ambassador to Guatemala is about to arrive in Guatemala City.

He said the Guatemalan ambassador to the Soviet Union has already been appointed by President Vinicio Cerezo, but he cannot release the name until he is authorized to do so by the president.

Honduras

Government Announces Strict Fuel Rationing

PA0401011091 San Pedro Sula TIEMPO in Spanish 3 Jan 91 p 2

[Text] Tegucigalpa—The government will launch a strict fuel rationing plan this week to prevent the acute crisis that the imminent Persian Gulf war would bring to the country.

Seeking to counter the crisis, the Honduran Government is now purchasing a large shipment of fuel to guarantee the fuel supply in February and early March.

Deputy Economy Minister Ramon Sarmiento said yesterday that "the largest shipment of fuel purchased by Honduras in recent years" is about to depart from Venezuela, to supply the country in case of war in the Middle East.

Sarmiento did not say how much fuel would be purchased, but he said that it would include 95,000 barrels of diesel oil, and it is calculated that Honduras uses 17,000 barrels of oil per day.

He did not specify what measures would be adopted, but he asked "the people to limit their uncontrolled use of fuel" because the government has issued the appropriate orders so that government officials will control the use of state-owned vehicles, including the Armed Forces.

Sarmiento said, somewhat annoyed, that it has been the government that has saved the most fuel up to now—because it has the same fuel budget even though fuel prices have risen on two occasions.

He said that only 5,000 of the 160,000 vehicles circulating in the country belong to the government.

"We must reduce fuel consumption; vehicles must be used only for what is strictly necessary. That is the only way to guarantee that national production will not stop," he said.

Sarmiento said that if the people do not heed the government's appeal to ration the use of fuel on their own, the government will have to ration the sale of fuel to consumers.

Nicaragua

Foreign Minister Linares on FMLN Missile Sales

PA0301181891 Managua Sistema Nacional de Television Network in Spanish 0200 GMT 3 Jan 91

[Passages within quotation marks are recorded]

[Text] Referring to the sale of missiles by former military men to the Salvadoran guerrillas behind the Army's back, Nicaraguan Foreign Minister Enrique Dreyfus this afternoon said that neither the Nicaraguan Government nor the Army will let the country's laws or Central American treaties be violated.

"We will not let unconventional forces use Nicaraguan territory to destabilize Central America. The Nicaraguan Government will take all necessary measures to make good its word."

The actions of the former Nicaraguan military men and the involved Salvadoran citizens violate Article 46 of the Nicaraguan Criminal Code, he said.

"It is unacceptable for disoriented Nicaraguans and foreigners who have abused our kindness and the right to asylum to involve us in such serious problems that they can bring about confusion into Central America. In a conversation I had with General Humberto Ortega today, he expressed deep concern over this incident. He is particularly interested in—as we have understood it—that the Nicaraguan Army be a professional one."

Dreyfus said that there was no pressure by the U.S. Government. "Such pressure is only speculation. There has been only normal communication between the U.S. military attache and the Nicaraguan Army chief of staff."

Dreyfus, who will travel to San Salvador tomorrow to meet with President Alfredo Cristiani, said that the Nicaraguan Government became aware of the sale of missiles as soon as the Army started an inquiry into the matter.

EPS Members Admit Missile Delivery to FMLN

PA0301223891 Panama City ACAN in Spanish 2046 GMT 3 Jan 91

[Text] Managua, 3 Jan (ACAN-EFE)—Three officers and a former military member of the Sandinist People's Army (EPS) today admitted that they delivered 28 antiaircraft missiles to Salvadoran guerrilla groups due to their "revolutionary principles" and as proof of their "solidarity" with the Salvadoran people's "cause."

The soldiers, arrested in December, admitted that they had taken the antiaircraft missiles from EPS warehouses to give them to the Farabundo Marti National Liberation Front (FMLN), but denied that they had sold the missiles for "thousands of dollars," as the Nicaraguan Army claimed.

Odell Ortega, a 32-year-old former Army major and "the most important person involved" in the trafficking of weapons to El Salvador, said that he and "other comrade" officers decided to deliver the missiles to the guerrilla forces so that they could counter the Air Force bombardments of the Salvadoran people.

"I do not believe that I have perpetrated a crime. No one can condemn me, morally speaking, because I have been formed with revolutionary principles," Odell said—and his words were corroborated by the other military members involved in the case.

Likewise, Lieutenant Colonel Denis Moncada, chief of the EPS legal advisory office, said that a judge will decide if they are "criminals," but implied that, according to the country's laws, the soldiers might receive a sentence of between three and 10 years if they are found guilty.

"We must be clear and honest" that the operation was carried out in "solidarity" with the Salvadoran cause and the EPS upper echelons have no responsibility, stated Odell Ortega, who denied any relationship with Army Commander General Humberto Ortega.

"It was our decision. There were no economic motives. We voluntarily decided to deliver the weapons to the rebels and I am not sorry about this; I would do it again if I were free," Ortega emphasized. He was removed from the EPS in August 1990 as part of a plan to cut 5,000 officers from the military.

Odell, who persuaded three EPS officers to take the missiles in October, admitted that he received "a minimal amount of money" to cover the expense of delivering the weapons to the Salvadoran guerrilla groups' "contacts."

The other prisoners are Captains Donald Antonio Argenal Urtecho, an Air Force pilot; Miguel Angel Parrales, chief of the 5th Region's antiaircraft defense section; and Reynerio Padilla Alvarez, chief of the EPS Antiaircraft Artillery Regiment.

Likewise, Denis Moncada, chief of the EPS legal advisory office, explained that the military officers received $11,500 for the sale of sophisticated weapons and that the whereabouts of the money is being investigated.

Odell, who participated in a news conference and said that he "felt proud and had acted like a revolutionary," confirmed that he had had "several contacts" with FMLN Commander Joaquin Villalobos, but added that the latter "did not participate in the operation."

Moreover, the FMLN has denied that Villalobos participated in the operation at Managua.

The 11 Salvadorans arrested on 31 December in connection with the same crime were not presented to the journalists because of the continuing investigation process.

High-Level Contacts Made With Salvadorans

PA0401003491 Managua Radio Corporacion in Spanish 2350 GMT 3 Jan 91

[Text] The Nicaraguan Government has established high-level diplomatic contacts with the Salvadoran Government's Foreign Ministry officials after the publication of the Sandinist People's Army [EPS] communique. The series of talks between the two Foreign Ministries will seek to prevent a rupture of diplomatic relations between the two countries, which might preclude the peace process in the Central American region.

The Nicaraguan Government is prepared to give explanations to President Alfredo Cristiani's administration for the appearance in Salvadoran territory of missiles delivered by the Soviet Union to the EPS.

Likewise, it has been learned that the U.S. Government is quite interested in learning the results of the investigations the Nicaraguan Government is conducting into the trafficking of weapons to Salvadoran guerrilla groups.

Appointment of Civilian Defense Minister Reviewed

PA0401022191 Managua Radio Corporacion in Spanish 2300 GMT 3 Jan 91

[Text] The involvement of members of the Sandinist People's Army [EPS] in the shipment of missiles to Salvadoran guerrilla groups may heavily influence President Violeta Barrios de Chamorro's decision to appoint two civilians to the posts of defense minister and deputy defense minister.

The grave Central American conflict provoked by the shipment of weapons from Nicaraguan arsenals to the Salvadoran guerrilla groups has shaken the Central American presidents. Most members of the central government agree with the appointment of a civilian to the post of defense minister, and they endorse the start of true disarmament among armed civilians.

We have previously stated that the most difficult appointment to be made by President Violeta Barrios de Chamorro will be that of General Humberto Ortega Saavedra's replacement as head of the Armed Forces.

Meanwhile, several private sector leaders' names are being mentioned as possible candidates for the new presidential cabinet on 10 January. Everything seems to indicate that four new state ministers will be appointed as part of the reorganization within the government's top echelons.

Panama

Arias Comments on Establishing New Police Force

PA0401144691 Panama City Radio KW Continente in Spanish 1200 GMT 30 Dec 90

[Text] Panamanian policemen will be trained by the United States in matters related to arrest methods and investigation procedures. This will be done to achieve the government's goal of creating a professional, civilian police force that respects human rights and contributes to institutionalizing democracy.

The aforementioned objectives are part of an agreement signed by Panamanian Government and Justice Minister Ricardo Arias Calderon and ISITAP [expansion unknown] director in Panama (Patrick Lance) on 28 December. The agreement includes assistance to establish civilian institutions that will maintain public order.

According to an agreement signed by Panama and the United States, training for the police will be channeled through ISITAP. It was also announced that a police academy will officially open next year.

With a view to creating a professional and civilian police force that respects human rights and contributes to strengthening the country's institutions, the Governments of Panama and the United States have signed an agreement to support Panama's efforts to strengthen its civilian and legal institutions. Ricardo Arias Calderon, first vice president, and government and justice minister has explained the important points of the agreement:

[Begin Arias recording] The basic objective of this administrative agreement is to contribute to the change that is taking place in our country. We are creating a police force. We are creating a public police security service that is wanted by all Panamanians. The police should contribute to Panamanian democracy. In addition to contributing to that, the agreement also has other more specific goals. One of those goals is to help incorporate the new police force into an efficient criminal justice system, especially in the field of criminal investigation.

Training will be aimed at teaching policemen to arrest and detain people using a minimum use of force and with the maximum respect for the laws and the human rights of all Panamanians.

In addition, special training will be provided so that the evidence presented by the policemen is completely legal. The main purpose of this agreement is to assist in the transition toward the new police force that all Panamanians want and which should be part of a consolidated justice system. It entails advisory work in the establishment and development of the police academy. Also, 1991 will be the year of the police academy. The first class of 250 policemen will graduate this year. They are all high school graduates without any previous military or police experience. All of them have participated in a 20-week police training program. In early January, we will probably begin an experimental course for policemen. We plan to start with 24 candidates. This is one of the areas we want to develop the most in 1991 in order to create the new police force.

All this is being done with the assistance of ISITAP, which is conducting this program of the U.S. Government Justice Department. [end recording]

National Assembly Approves 1991 Budget

PA0301192691 Panama City LA PRENSA in Spanish 27 Dec 90 p 1A

[Report by Elkilia Santos]

[Text] On 26 December the National Legislative Assembly approved the 1991 budget, which amounts to $2.787 billion and which represents an approximately $600 million increase over last year's budget.

The law establishing the 1991 national budget was approved during the third debate, with the Democratic Revolutionary Party's [PRD] wing in opposition.

The 1990 budget was originally approved in the amount of $2.07 billion. Subsequently, an outstanding credit was approved, thereby increasing it to $2.20 billion. For 1991, the executive branch presented a $2.813 billion budget that was cut back by the National Assembly to $2.787 billion.

The Justice and Government Ministry will receive a $124.237 million budget, $75 million of which will go to the Public Force.

The Education Ministry will receive a $250.991 million budget and the Health Ministry a $185,591,800 budget.

The Social Security Fund will receive a $596.961 million budget, and the National Water and Sanitation Institute will receive $57.512 million.

The National Institute of Telecommunications will receive a $614.259 million budget to be divided as follows: $122.312 for operational expenses and $41.947 [number as published] million to be invested.

Meanwhile, the Institute of Hydraulic Resources and Electrification will receive a $259.493 million budget to be divided as follows: $191.417 million for operational expenses and $68.76 million to be invested.

The University of Panama will receive a $55,052,100 budget, and the Technological University a $10.924 million budget.

The Judicial Branch will receive a $14.046 million budget while the Attorney General's office and its agencies will receive a $11.796 million budget.

The Colon Free Zone will receive a $11.673 million budget.

When he requested a vote to approve the 1991 budget, Milton Henriquez, president of the National Assembly Budget Commission, said this was also a vote of confidence in favor of the Planning and Economic Ministry (Mippe), which shall negotiate with the international institutions. Henriquez added that Panama, like any other institution, must comply with certain requirements to qualify for financing. He noted that the Mippe will be in charge of negotiating the requirements demanded from Panama with the international institutions.

When Henriquez was asked if the requirements demanded by the international institutions included the dismissal of government workers, he replied that he did not have any knowledge as yet of the international institutions' demands.

Meanwhile, PRD legislator Gerado Gonzalez, who labelled the budget draft law as "rubbish," said that the budget has a $674 million deficit.

Besides, said Gonzalez, this budget places Panama in an unfavorable position to reach an agreement with international monetary institutions.

According to the opposition PRD legislator Gonzalez, this budget leaves the decisionmaking on public expenditure in the hands of one government official. This government official is the comptroller general whose boss is the AID [Agency for International Development], according to Gonzalez.

Henriquez noted that this budget is balanced and does not have a deficit given that the national constitution demands the drawing up of a balanced budget.

If the budget is analyzed by the accrual method [metodo de devengado] used by some economists—such as Guillermo Chapman—instead of the combined method [metodo mixto] as used by Panama, said Henriquez, a deficit will be reflected.

According to the technique used to analyze the accrual method, everything that is collected during the current year is considered as revenue, as opposed to the technique used to analyze the combined method that establishes as revenue the Treasury's cash holdings at the time the budget is drawn up. [as published]

Henriquez reported that in last year's budget, 72 to 75 percent was used for operational expenses while 20 to 25 percent was used for investment.

Editorial Seeks Probe on Weapons Sold to Herrera

PA0401133191 Panama City EL SIGLO in Spanish 3 Jan 91 p 4

[Unattributed editorial: "The Attorney General's Office Has the Floor"]

[Text] Today, at the start of the year, a news dispatch datelined in Israel introduces a surprising and jolting element into Panamanian politics, to splinter even further the unity of the government and deepen the abyss of doubts, speculations, and questions regarding the precarious course of the Republic.

We are talking about the remarks by an Israeli weapons merchant involved in a multimillion dollar sale of weapons destined for guerrillas who would reportedly invade Panama under the leadership of Colonel Eduardo Herrera. The money and weapons that were delivered to the Panamanian officer, with the CIA's approval, were paid for and authorized with the Panamanian money the United States had frozen. Now, according to the Israeli agent, these weapons are in the hands of one of the most powerful Colombian drug cartels.

For starters, that statement mainly compromises the Panamanian officer who received the mission of toppling Noriega. According to other news reports published by U.S. NEWS magazine, Eduardo Herrrera was not acting on his own but with CIA backing, which in turn supported the aspirations of the Panamanian opposition headed by Endara, Arias Calderon, and Ford, and had the full acquiescence of Eric Arturo Delvalle, who had to sign the checks to release those funds.

The statement made at this point calls for immediate action from Attorney General Rogelio Cruz to find out the following: Why did those weapons end up in the hands of a Colombian drug cartel? Who participated in those transactions? How much were the weapons sold for? Where is the money? Who got the money?

It would also be appropriate for national and international human rights organizations to look into this criminal transaction, to establish the responsibility of those who wrongfully handled the Panamanian people's money and who put those weapons in the hands of the abject henchmen of the Colombian people and their evil plans to annihilate mankind.

Government Announces Fuel Price Increases

PA0401015591 Panama City Radio and Television Service in Spanish 0000 GMT 4 Jan 90

["Speech to the nation" given by Commerce and Industries Minister Juan Chevalier in Panama City on 3 January—live or recorded]

[Excerpts] The national government is aware of the country's economic crisis. This is why, after having analyzed the petroleum problem and the domestic and foreign factors which affect it, the president's speech to the nation on 17 September 1990 announced that, until 31 December 1990, the national government would absorb the cost of the increase of the price of petroleum if it went over 18 balboas a barrel. This meant a fiscal sacrifice of more than 20 million balboas. Similarly, the government noted that the increase would be transferred to the consumers after that date because the state cannot absorb these costs for an extended period.

The government wants to stress that this problem comes from abroad, specifically from the serious war situation in the Persian Gulf. We are not oil producers, but oil buyers. The price is set by the producing countries. [passage omitted]

At 0001 on 5 January 1991, the prices of all petroleum by-products will increase or decrease in accordance with a price structure that will initially be established every three months and published in the media. The changes will be calculated on the basis of the average price of the shipments received during the previous 30 days.

These new prices are as follows: All types of gasoline will increase by 39 centesimos [per gallon]; light diesel for general use will increase by 17 centesimos and it will increase 18 centesimos for the fishing fleet; improved diesels will increase by 24 centesimos; bunker-C oil for general use will increase by 14.7 centesimos, and the same increase will be valid for the IRHE [Institute of Hydraulic Resources and Electrification]; the price of

the 25-pound liquid gas tank will not increase; the 60-pound liquid gas tank will increase by 2.97 balboas; the 100-pound tank will increase by 4.95 balboas; and gas in bulk will increase by 25.5 centesimos a gallon.

I want to draw the people's attention to the fact that the 25-pound tank will not increase at all. The price of kerosene will also not increase. It will remain the same.

These prices will be valid for three months. During that period, we will determine the average price of the shipments received so as to set new prices according to the import costs. In this way, the prices for consumers will increase or decrease in accordance with the oil prices. If war breaks out in the Middle East and oil prices increase or if the crisis is solved and prices go down, these fuel prices will be adjusted as soon as possible.

As you have just seen, in this new price structure we have given special consideration to light diesel and bunker-C oil so as to affect mass passenger and cargo transportation as little as possible. The same is true for the IRHE, so that there will be the least possible increase in the price of the fuel it uses to produce electric power.

As I said earlier, the increase in prices will be the same for all types of gasoline. Nevertheless, the government will maintain the current benefits it provides to taxis so that the users will not be affected.

Upon adopting this price structure, we have not increased taxes. We have not increased the profits of the Panama Refinery or the fuel distributors and concessionaires.

The new price structure urgently demands the promotion of the energy conservation measures established by the national government. The Commerce and Industries Ministry and the Price Regulation Office will make sure that these measures are strictly enforced, and will set exemplary fines and punish those who hoard fuel or change its prices.

The sacrifice that the world crisis imposes on all of us must be faced with realism, courage, and social justice. These price increases have occurred in all countries, even those that are petroleum producers. We are confident that with the people's support we will continue solving our problems. We cannot deceive ourselves, however, with demagogic measures that might mean we have bread today but hunger tomorrow. It is clear that in view of this fuel crisis we must save more, consume less, and be more productive. [passage omitted]

Police Recapture Eduardo Herrera's Brother

PA0401040791 Panama City Circuito RPC Television in Spanish 2300 GMT 3 Jan 91

[Text] In the late afternoon hours, authorities of the Judicial Technical Police, PTJ, recaptured fugitive Lieutenant Tomas Herrera, brother of Former Colonel Eduardo Herrera Hassan. Lt. Herrera had recently escaped from PTJ facilities where he was awaiting legal action. He was arrested at the Maria condominium, adjacent to the Gago supermarket in Via Espana.

Argentina

Menem Says Congress To Determine Role in Gulf

PY0301221091 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1842 GMT 3 Jan 91

[Text] Miramar, Buenos Aires Province, 3 Jan (NA)—President Carlos Menem said today that if "war breaks out" in the Persian Gulf, the Argentine ships authorized to comply with the UN blockade "will not intervene." Menem said, however, that a "request has been made to Congress to decide about Argentina's participation in the armed conflict" should war break out.

Menem added that "Argentina's position" in the conflict "is not a military position" and that the ships are "controlling access to the Gulf by Iraqi ships."

He pointed out that "the mission is being conscientiously fulfilled by the two Argentine Navy ships sent there."

Plane To Evacuate About 150 Citizens in Gulf

PY0401112891 Buenos Aires TELAM in Spanish 1003 GMT 4 Jan 91

[Text] Buenos Aires, 4 Jan (TELAM)—Defense Minister Humberto Romero has announced that "an Air Force Boeing 707 will depart for the Persian Gulf in approximately one week" to evacuate Argentine citizens in that region.

Last night, in remarks to journalists accredited to the Defense Ministry, Romero said the plane will make a stopover in Rome and will then head for Saudi Arabia and the Arab Emirates, where it will remain for approximately one week.

He also stated that the plane is being sent to evacuate approximately 150 people, and it will carry spare parts and equipment for the destroyer Almirante Brown and the corvette Spiro, which are participating in the embargo against Iraq.

New Armed Forces Prosecutor Named

PY0301175991 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1739 GMT 3 Jan 91

[Text] Buenos Aires, 3 Jan (NA)—General Dionisio Andres Ferreyra, retired, of the Justice Department, has been named as the new Armed Forces prosecutor. He replaces General Carlos Dominguez.

Decree No. 2,706, which was signed by President Carlos Menem and Defense Minister Humberto Romero, announces his appointment.

Thus, Gen. Ferreyra assumes the duties that Gen. Dominguez carried out until 31 December. Gen. Dominguez had asked for the death penalty for Colonel Mohamed Ali Seineldin, retired, and four other leaders of the 3 December uprising.

Defense Minister Criticizes Videla

PY0301151491 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2315 GMT 2 Jan 91

[Text] Buenos Aires, 2 Jan (NA)—Defense Minister Humberto Romero said today that former commander Jorge Rafael Videla "should not have sent that letter to General Martin Bonnet. He should have just waited for history to judge him."

"We have gone through very painful times in Argentina, and President Menem's courageous attitude is an attempt to end the painful era of separation and conflict between Argentines," the minister said.

Romero made these statements at Government House after greeting the president "for the new year." Romero and his colleague, Health Minister Alberto Kohan, spent Christmas with Argentine officers and NCO's [noncommissioned officers] stationed in the Persian Gulf.

Asked about the letter Videla sent to General Bonnet, Romero said Videla "should restrain himself and just enjoy the freedom he has thanks to the president's consideration and generosity." Romero stressed the president's efforts "to bring Argentines back together and to end the conflict dividing the people." Romero said that "raising these sorts of questions does not help the climate of pacification that we all yearn for."

Romero "categorically" denied there was a "climate of unrest in the Army" adding: "We have to recommend that those who participated in shaping our recent history stay silent; their best contribution to our national pacification is their silence."

The minister said he conveyed to the president his impressions of the morale of our force in the Gulf and "the climate of great respect and recognition that the Emirates, Saudi Arabia, and Kuwait's Government-in-exile have for our country."

Menem Says Videla Has 'No Moral Authority'

PY0301215991 Buenos Aires BUENOS AIRES HERALD in English 3 Jan 91 p 1

[Text] (NA-DYN)—President Carlos Menem stressed yesterday that those asking for a vindication of the role of the military in the "dirty war" of the 1970s "are wrong," while Interior Security National Director retired Colonel Carlos Sanchez Toranzo pointed out that ex-de facto President Jorge Videla "has no moral authority to ask" for such a vindication.

While most of those pardoned by Menem on Saturday [29 December] kept silent and former Montoneros terrorist leader Mario Firmenich went to the Federal Police headquarters to get a passport, the statements issued by Videla in his letter to Army Chief-of-Staff Martin Bonnet continued to spark reactions.

Sanchez Toranzo issued yesterday an open letter to Videla "not as an official but as a citizen," underlining

that "the vindication of the Armed Forces which acted in a legal and clean way against subversion has already been made. The repudiation was against the dirty war, and in that respect," he told Videla, "you have no moral authority to ask for anything."

The director, whose retirement from the Army was ordered by Videla when he opposed to the 1976 coup d'etat, did not comment on the pardon issued by President Menem, but stated that he saw it "as a generous attitude of the President."

However, Sanchez Toranzo considered that Videla's statements "do not bring peace and distort the real meaning of the pardons." He recalled that the ex-general had supported "both the legal fight and the other one, and it was for this latter that he was tried and sentenced, so that his imprisonment was not an act of service, as he wants it to appear," says the security director.

"I too fought against subversion," he adds, "but I did it legally and showing my face." After accusing Videla of being "incredibly arrogant, Sanchez Toranzo contended that "obviously, your prison years did not lead to a positive reflection on your part, did not lead you to realize that the people continue to repudiate the tortures, rapes, robberies and illegal killings.

"The people have already reached a moral decision in your case," he told Videla.

General Bonnet Responds to Videla's Letter

PY0401010091 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2040 GMT 3 Jan 91

[Excerpt] Buenos Aires, 3 Jan (NA)—General Martin Bonnet has answered [former Commander] Jorge Rafael Videla's letter in harsh terms. His hand-written letter says the institution's attitudes and actions will vindicate it and that Videla should have refrained from making public pronouncements and behaved more in accordance with the pardon that the president granted him.

The letter, which Bonnet sent to Jorge Rafael Videla yesterday, says that the current situation requires more prudence than what was demonstrated by the former commander only a few hours after recovering his freedom.

Videla sent Bonnet a letter at noon on 30 December demanding the vindication of the Army for its fight against subversion. The letter added, however, that Videla would "respect" the president's decision to pardon him.

According to a reliable military source, Bonnet's three-page letter was sent as a private message.

The source said that "the Army chief of staff has preferred to be as discreet as possible, in contrast to the publicity that Videla was seeking with his note demanding that the Army be vindicated."

The source said the fact that the letter was private did not mean that its general contents could not be revealed.

Summarizing, Bonnet insists that the Army does not need a formal vindication and that the institution will recover the respect and consideration of society with their attitude over a period of time.

The source also said that Videla was surprised by the repercussions of his note in political and military circles because he wrote the letter long before he regained his freedom. [passage omitted]

Trade Surplus With Brazil $545.1 Million

PY0301194991 Buenos Aires DYN in Spanish 2054 GMT 2 Jan 91

[Summary] Buenos Aires, 2 Jan (DYN)—The National Statistic and Census Institute reported today that the Argentine-Brazilian commercial trade shows a surplus of $545.1 million for the first nine months of 1990.

This figure is much higher than the $221 million surplus registered in 1989 and it results from a 28.7 percent increase in Argentine exports to Brazil and a 18-percent decrease in imports.

Bolivia

Court President Criticizes Executive Branch

PY0301151291 La Paz Radio Fides Network in Spanish 1100 GMT 3 Jan 91

[Text] In his message to the country, Edgar Oblitas Fernandez, chief justice of the Supreme Court of Justice, again has harshly criticized the executive branch for the attack on the judicial branch. He said the sentence imposed on the eight judges will lead to the murder of justice in the country.

[Begin Oblitas recording, in progress] ...at the least, the other state powers, especially the ruling parties, should have understood the appeal made by the whole nation. A strange, morbid wish to gain power and lose freedom prevails in this mess, which was caused by the ambition and heavy-handed attitude of those in government. Rather than defend the prosecuted judges and the legal order that should be observed in any trial, the judgement passed by the court was overpowered in all speeches and actions. It should be stressed that the efforts of some opposition political parties to seek a solution to the problem were in keeping with the Constitution and the laws, but everything was in vain. [end recording]

Nationwide Fuel Price Increase Announced

PY0301174391 La Paz Radio Fides Network in Spanish 1100 GMT 3 Jan 91

[Summary] As of today the official prices of fuel nationwide are as follows:

Regular gasoline is now 1.49 bolivianos per liter; premium gasoline is now 2.15 bolivianos per liter; kerosene is now 80 centavos per liter; diesel fuel is now 1.19 bolivianos per liter; fuel oil is now 1.15 bolivianos per liter; liquefied petroleum gas is now 1.10 bolivianos per kg; jet fuel is now 4.86 bolivianos per gallon; and engine oil is now 4.60 bolivianos per liter.

Due to Persian Gulf, Pressure

PY0401122091 La Paz Television Boliviana Network in Spanish 0030 GMT 4 Jan 91

[Excerpts] The Bolivian Government has increased fuel prices by an average of 35 percent. The increase will be implemented countrywide and goes into effect on 3 January 1991. [passage omitted]

The National Federation of Drivers has already announced that, beginning at 0000 on 4 January, they will stage a 24-hour work stoppage. The transportation sector unions have instructed sector federations to comply with this decision in a disciplined manner.

In a news conference at Quemados Palace, Presidency Minister Gustavo Fernandez explained that the hydrocarbons prices were raised to organize the economy. He added that the executive branch hopes this will be the only increase this year so that the Bolivian people's economy is not affected and a realistic budget on salaries can be organized.

[Begin Fernandez recording] This increase has been expected for a long time. The reasons for the increase have often been explained and justified by political and entrepreneurial leaders. The increase had to be implemented primarily because the price of Bolivian fuel was much lower than that of the neighboring countries. This difference increased in October as a result of the Persian Gulf crisis. [passage omitted]

The fuel prices in all neighboring countries were much higher than our prices. This caused a pressure that, fortunately, did not explode, although the contraband of hydrocarbons was reaching its limit, endangering our domestic fuel reserves and harming YPFB [Bolivian Government Oil Deposits] finances. [passage omitted] [end recording]

Chile

Government Plans Measures To Face Gulf War

PY0301193191 Santiago Radio Chilena Network in Spanish 1600 GMT 3 Jan 91

[Text] Economy Minister Carlos Ominami has said that the government is assessing a series of measures in the light of a possible war in the Persian Gulf.

The minister made this statement at the end of a meeting that was held by President Patricio Aylwin and his economic team at La Moneda Palace to assess the economic prospects for the next three years.

Ominami first recalled that a draft law to create an oil price stabilization fund is being debated in Congress. He said that should a war break out in the Middle East in mid-January, this fund will be used to cushion the resulting sudden changes in oil prices.

[Begin Ominami recording] Moreover, there is another package of measures being studied, and we are scheduled to meet with the president of the republic to discuss this subject. Despite the seriousness of the situation, the country should rest assured that the government is alert and will adopt the necessary measures to safeguard stability should (?a war break out). [end recording]

Minister Ominami asserted that the 0.5 percent inflation during the month of December confirms the government's promise to give priority treatment to the struggle against inflation.

Moreover, he said that inflation during 1991 will probably not reach 20 percent. He also said that the government's target is a growth rate of five percent over the next five years.

Inflation Totals 27.3 Percent for 1990

PY0301194191 Santiago Radio Chilena Network in Spanish 1600 GMT 3 Jan 91

[Summary] According to the National Statistics Institute, the inflation rate for December amounted to 0.5 percent.

This represents an accumulated inflation rate during 1990 of 27.3 percent.

Aylwin Appoints First Woman in Cabinet

PY0301200391 Santiago Radio Chilena Network in Spanish 1600 GMT 3 Jan 91

[Relay from La Moneda Palace by Nelson Oteiza]

[Excerpts] During a ceremony at the Hall of Honor in La Moneda Palace, President Patricio Aylwin swore in Soledad Alvear as director of the National Women's Service [Servicio Nacional de la Mujer, Sernam], with the rank of minister. Alvear thus becomes the first woman in Aylwin's cabinet. [passage omitted]

President Aylwin noted that this organization will not be used for political purposes nor used as a means of propaganda by the government, but that it will rather be an open, pluralist organization that will work to coordinate the efforts of the Chilean women in the tasks they have chosen. [passage omitted]

Colombia

PRT To Lay Down Weapons 26 Jan

PA0401030091 Bogota EL NUEVO SIGLO in Spanish 29 Dec 90 p 1

[Text] The Revolutionary Workers Party (PRT) promised to lay down its weapons on 25 January in a special ceremony to be held in Don Gabriel Corregimiento, Ovejas Jurisdiction, Sucre Department. Government officials and a delegation of political parties, representing the National Constituent Assembly, will also attend the ceremony.

EPL Communique on Desertions From Camp

PA0401031391 Bogota EL TIEMPO in Spanish 31 Dec 90 p 11A

[Communique issued by the negotiation commission of the Popular Liberation Army (EPL); place and date not given]

[Text] The negotiation commission of the EPL wishes to inform the public of the following:

1. On 27 December, 25 EPL members deserted from the Labores camp in Antioquia.

2. This action, which goes against the ongoing EPL-national government peace process, had been previously engineered by people who infiltrated the group and attempted to create a climate of uncertainty therein. It should be noted that deceit was used to get the men to desert, and that is why several have returned to the camp.

3. We cannot hide our concern over the difficult situation in the organization's camps. The camps lack all basic services, especially health services. The government is not concerned with this situation and has not attempted to improve the lives of these men so that their return to civilian life can be easier. These negative factors have aided the work done by the provocateurs, as in the case of the Labores camp.

4. We inform the government and the country that there have been serious threats against the EPL negotiation commission. We take these threats to be part of a strategy to hinder the normal development of the negotiation process.

5. The EPL National Directorate has taken the necessary measures to stop further instigations of this type. We reaffirm our firm will to continue the ongoing negotations with the government to the end. As agreed on 24 December, commissions were formed to prepare the 9 and 20 January meetings. A broad agreement on the peace process will be signed with the EPL at these meetings.

6. We ratify that we intend to enter the domestic political arena as a leftist force. We call on FARC [Revolutionary Armed Forces of Colombia] and ELN [Army of National Liberation] forces and on the national government to uphold their will for dialogue in order to attain a political solution to the armed conflict in Colombia.

With sincere hopes that 1991 will bring us the consolidation of peace and the improvement of democracy, we remain

Fraternally,
Negotiation Commission of the EPL.
Signed: Jaime Fajardo, Bernardo Gutierrez, Luis Fernando Pineda, Anibal Palacio, Marcos Jara, and Jairo Morales.

FARC, ELN Rebels Increase Attacks

PA0401020691 Bogota EL NUEVO SIGLO in Spanish 28 Dec 90 p 3

[Article by Luis Carrillo]

[Text] The latest actions of FARC [Revolutionary Armed Forces of Colombia] and the ELN [Army of National Liberation] have resulted in the following: two policemen, two civilians, and one rebel dead; six soldiers and two peasants wounded; the total destruction of a small police garrison and power lines; and attacks against the 12th Brigade and a police command.

The authorities have also reported that in Pereira two persons were wounded, while 10 businesses were damaged due to a terrorist attack.

Police sources have indicated that FARC's 10th Front attacked a police unit that was patrolling Puerto Narino, within the Tame Municipality, in the Arauca Intendency. During the attack, police officer Alexis Roch was killed and second-in-command Jairo Ramos and Jose Noel Florez were wounded.

Cesar Department: ELN and FARC members killed a policeman, a Telecom [Colombian Telecommunications Enterprise] operator, another person, and the man who was driving the vehicle in which they were all traveling in the Media Luna Jurisdiction, within San Diego Municipality, Cesar Department. The policeman was identified as Oscar Parada Pena, the Telecom operator as Naeberth Arenas Ruiz, and the driver as Carlos Alfonso Mantilla. The other passenger has not yet been identified. With regard to people who were wounded, they have not yet been identified by the authorities either.

Colonel Luis Humberto Pachon, deputy police commander of Cesar Department, said that during the predawn hours of 27 December, approximately 150 FARC and ELN rebels raided the town and staged an attack against the small police garrison there, completely destroying the garrison and adjacent buildings.

Pachon said that the rebels attacked the police installations with bursts of rifle and machine gun fire, fragmentation grenades, and incendiary bombs.

The colonel explained that the authorities in that area now have the public order situation under control.

Caqueta Department: Terrorist attacks were staged against the Army's 12th Brigade and the Caqueta Police Command. There was damage but no casualties.

The authorities have indicated that presumed members of FARC's 3d Front fired a rifle grenade at the installations of the Army's 12th Brigade, stationed in Florencia. The report indicated that the attack caused no damage, and that new security and control measures were established at that military base.

In addition, the authorities stated that the same guerrilla group detonated a medium-sized bomb at the police precinct in Caqueta Department. Although there was property damage, no one was hurt. According to the information given, some Florencia police vehicles were damaged by shock waves from the bomb.

The Army, the police, and the DAS [Administrative Department of Security] stepped up security and protection measures in Florencia and nearby municipalities to prevent further FARC actions. Government, banking, and Telecom installations and other state entities were also protected so that they do not become the target of guerrilla action.

Industries, commerce, and activities in general have come to a halt in Caqueta because FARC blew up an interconnecting utility pole 20 km north of Florencia. The authorities have indicated that in the Resina area, along the road from Florencia to Neiva, members of FARC's 3d Front blew up utility tower No. 52. "The tower was blown up between Huila and Caqueta Departments," a local electric company official stated.

Caqueta Governor Ernesto Gomez Charry indicated that all of the department's activities have been paralyzed since Wednesday, 27 December, because of the terrorist action.

"Caqueta's electric company is working around the clock to try to restore energy as soon as possible, but this endeavor has been hampered by the bad weather that prevails in the region," the governor noted. He explained that, if the technicians can work without major setbacks, service could be restored in the next few hours in Florida. Energy will be restored within four days to the rest of the department.

In Pereira, two persons were wounded and damage totalling 5 million pesos resulted from a terrorist attack in the city's midtown sector that affected 10 stores. A police spokesman indicated that intelligence units are on the trail of an individual who detonated a bomb in El Caiman store, owned by the city mayor's family.

Weekly Guerrilla Battle Report Roundup

PA0301234191

[Editorial Report] Bogota Radio Cadena Nacional in Spanish at 1200 GMT on 26 December broadcasts a one-minute news item reporting that four policemen were killed and five seriously wounded in actions by "common criminals and guerrillas in Norte de Santander Department and Guaviare Comisariat." The station reports that for reasons still not known, policemen Hector Marin Lopez and Sauro Mauricio Suarez were killed by unidentified individuals. The report also says that "in Miraflores, Guaviare, the Simon Bolivar National Guerrilla Coordinating Board murdered policeman Luis Angel Ossa Hiquita. Also, policeman Jose Rodrigo Quintero was murdered by a FARC [Revolutionary Armed Forces of Colombia] commando unit in [words indistinct]."

Bogota EL TIEMPO in Spanish on 27 December on page 12A, in a 350-word item, reports that an Army of National Liberation, ELN, attack on 26 December killed a policeman and wounded two others at the Puerto Narino, Arauca Intendency police inspectorate. The report also states that another ELN commando unit killed two peasants at La Paz, Yondo, Antioquia Department on 26 December. The newspaper adds that at Santa Rita, Rionegro, Santander Department, "a tax office was attacked on 25 December by unidentified individuals, who left two guards wounded by 9mm pistol shots." The attackers kidnapped the driver but released him unharmed several hours later with his official vehicle partially destroyed.

The report adds that soldier Raul Criollo Mendoza "was wounded on 25 December when an Army patrol was attacked at Tres Esquinas, Algeciras Jurisdiction, 45 km east of Neiva. Two gunmen riding a motorcyle fired several times on a convoy involved in search-and-control missions in the area." The report attributes this attack to the FARC. The last report tells of a FARC dynamite attack on the Neiva Civic Club, which houses the Radio Surcolombiana broadcast station. The report states: "The explosion caused property damage, but no one was injured."

The same issue of EL TIEMPO, also on page 12A, carries a 500-word report on recent clashes. It says: "Defense Minister General Oscar Botero Restrepo said that clashes took place during the last 48 hours in a rural area near Puerto Alvira, where guerrillas sank a National Navy barge used to transport farmers' produce. The military counter offensive seeks to reduce guerrilla actions, which, the minister explained, are aimed to strike defenseless villages and harass police garrisons, to desperately strike back in the face of Operation Centauro, which forced the FARC leaders to flee from Casa Verde," the FARC headquarters. The report adds that "three guerrillas were killed at Corinto and 70 guerrillas departed, leaving behind 40 tents, a great amount of food, communication radios, and first aid equipment." The report adds that the most important Army operation

is in Guaviare, where 17 FARC guerrillas were gunned down by the Army and police. The report ends by explaining that the 7th Infantry Brigade has reinforced the Guaviare area because "one of the most important Casa Verde 'satellite' command posts operates there."

EL TIEMPO of 31 December carries a 100-word item on page 14A which says that ELN guerrillas dynamited the Antioquia Miners' dredge No. 5 at Puerto Claver corregimiento, El Bagre Municipality, northeastern Antioquia Department, on 29 December, damaging the dredge's electrical system and cargo hold.

Peru

Drug Traffickers Arrested; Cocaine Base Seized

PY0301203591 Madrid EFE in Spanish 1809 GMT 3 Jan 91

[Text] Lima, 3 Jan (EFE)—According to a police spokesman in Lima today, the Peruvian Narcotics Police have captured a gang of drug traffickers that includes six Colombians and 15 Peruvians, and seized about 1 ton of cocaine base.

The spokesman said that the cocaine base was to have been taken in a small airplane to Colombia to be processed into pure cocaine and then sold in the United States and Europe.

The drug traffickers were arrested last weekend in Uchiza (700 km northeast of Lima), San Martin Province, which is one of the principal coca production and trafficking areas.

The police spokesman reported that the drug traffickers were arrested while loading a Colombian airplane at a clandestine airfield in the jungle. He added that automatic weapons were also seized.

The National Police have reported the death of at least 12 small-time cocaine base traffickers in the jungle settlement of Aucayacu, 400 km northeast of Lima, when they apparently tried to double-cross the so-called drug "czars."

Witnesses reported that the crime was committed by alleged Shining Path members who entered the settlement on Christmas Eve.

The police said that the Shining Path terrorists coexist with the drug traffickers who pay the terrorists to avoid problems with the "small-time traffickers" [traqueteros], which is the name used to describe the retail drug traffickers.

Decree Establishes 'Sol' as Official Currency

PY0401020491 Lima RTP Television Network in Spanish 0100 GMT 4 Jan 91

[Text] The new sol has been established as Peru's monetary unit. The sol will be made up of 100 centavos. This was established by a law published in the EL PERUANO official gazette today. The law authorizes the Central Reserve Bank to determine the date for its effective implementation as the new currency in the country.

Official Authorizes Assembly of PRC Buses

PY0301173591 Lima EL COMERCIO in Spanish 27 Dec 90 p A 3

[Excerpt] The Industry, Commerce, Tourism, and Integration Ministry yesterday authorized the "Beta Automobile Industry" enterprise to begin assembling 85-passenger "Huang Hai" [name as published] PRC buses in Peru.

A ministerial resolution published yesterday in EL PERUANO states that this authorization will expire if the enterprise does not begin assembling these buses within 18 months. [passage omitted]

Venezuela

Soviet Embassy Denies Espionage Activities

PA0301180891 Paris AFP in Spanish 1608 GMT 3 Jan 91

[Text] Caracas, 3 Jan (AFP)—In a statement issued today, the Soviet Embassy implicitly denied any alleged Soviet espionage activities against the Venezuelan air defense system, including U.S.-supplied F-16 fighter aircraft, as had been reported this week by official Venezuelan news agencies.

VENPRES, the official Venezuelan news agency, reported yesterday that the DISIP [Directorate of Intelligence and Prevention Services] has identified Alexsandr Chilov, the Caracas-based manager of the Soviet airline Aeroflot, as the person responsible for spying on the Venezuelan air security and defense system.

The DISIP reportedly has opened a thick file on Chilov that includes a violation of common regulations, such as an attempt to bribe a traffic policeman into distorting the report of an accident in which Chilov was injured.

VENPRES said on Wednesday that Chilov had virtually taken up refuge at the Soviet Embassy. Caracas newspapers, however, citing police sources, reported that he flew to Lima on 29 December.

In a statement issued today, the Soviet Embassy implicitly refuted the espionage charges and "regretted that the VENPRES report about Aeroflot representative A. Chilov includes clearly groundless insinuations."

"Chilov was in a traffic accident in December. As a result, he has not been in good health. This is why he left for Moscow at the end of that same month," the Soviet Embassy note said.

When the embassy asked the local authorities to expedite Chilov's leave permit, "there was no objection or difficulties," the note added.

The Soviet Embassy attributed the VENPRES report to "certain groups who oppose an increase in Venezuelan-Soviet relations and who try to spread reports on alleged illegal activities by A. Chilov in Venezuela."

According to VENPRES, Chilov purchased radio sets with which he transmitted reports in the Russian language, "thus violating rules on airwave transmissions." Once, the police took him into custody when he was found in an area of the Caracas airport that was off-limits. The police confiscated "one directory that included a glossary of the structures of the country's public powers."

Iraqi Ambassador Warns of 'Prolonged' War

PA0401023591 Hamburg DPA in Spanish 2137 GMT 3 Jan 91

[Text] Caracas, 3 Jan (DPA)—Iraqi Ambassador to Venezuela Majid al-Samarra'i has said that the United States could start a war, but "would not be able to end it," because the resistance in his country is boundless.

In an interview published in a local newspaper, the Iraqi ambassador said that in any event, it would be a long, not a short war like U.S. operations in Panama or Grenada.

He reiterated that Iraq does not accept 15 January as a deadline for war to begin, and does not recognize the UN Security Council resolutions either. He added that the Iraqi Army will defend all its states, "including Kuwait, of course."

Al-Samarra'i stressed that this will not be a blitzkrieg, but a prolonged and all-out war for those involved, "first for Iraq, and then for the Arab world, Third World countries, and all those that are forced to accompany the United States."

In a statement for the daily EL NACIONAL, Ambassador al-Samarra'i added that "the way we see it, victory will be for the Arabs and the people of the Third World."

He predicted that Muslim countries will side with Iraq in case of war because "divisions within the Arab world provoked by Western colonialism are temporary. The Arab world is one."

A united Arabia can deal much better with Europe, America, Japan, and the industrialized world in general than a divided territory, he noted.

Al-Samarra'i recalled that since the conflict began, his country has not changed its international policy. As an example, he noted that with regard to petroleum, Iraq continues to abide by OPEC decisions.

According to Al-Samarra'i, this shows that Iraq's victory would favor better relations among Third World countries away from the influence of hegemonic powers.

Al-Samarra'i added that his country has a clear concept of its destiny and therefore has insisted on the need to resolve all the Middle East problems in general to have peace.

It seems contradictory that at the end of the cold war, when there should be more calls for peace and greater rejection of threats and the use of force by any nation over another, the contrary is happening and that more wood is being thrown to stoke the fire of war, which will only bring death and mourning to the world, he stressed.

Al-Samarra'i justified his country's decision to occupy Kuwait as a step "in favor of its inhabitants." He described as "aberrant" the position of the deposed amir, "who has $60 billion and 70 women acquired with Kuwait's oil, which he commercialized for his own benefit."

Guyana

Further on Hoyte's New Military Appointments

FL0301194091 Bridgetown CANA in English 1431 GMT 3 Jan 91

[Text] Georgetown, Guyana, Jan 3, CANA—Guyana's President Desmond Hoyte has announced the appointment of Brigadier David Granger in the newly created post of national security adviser. Hoyte also announced that Laurie Lewis, acting police commissioner and Brigadier Joe Singh, acting chief of staff in the Guyana Defence Force, were being confirmed in their respective posts.

Lewis had been acting as the nation's top cop since last August 1 when former Commissioner Balram Raghubir was appointed Guyana's resident high commissioner to India. Singh has been acting army chief since the retirement of Major-General Norman McLean around the middle of last year.

Brigadier Granger graduated from the University of Guyana last year with distinction in a Bachelor of Arts degree majoring in history. He won five prizes including the President's Medal in the process. The presidential secretariat, in a release, said the brigadier will advise President Hoyte on national security matters and will co-ordinate activities of relevant agencies.

He will also serve as chairman of the Central Intelligence Committee, member of the Defence Board, member of the National Security Committee, and the National Drug Enforcement Committee. His office will be based at the presidential secretariat.

Gold Production Narrowly Misses Record

FL0301214091 Bridgetown CANA in English 2036 GMT 3 Jan 91

[Text] Georgetown, Guyana, Jan 3, CANA—Raw gold production here in 1990 narrowly missed eclipsing a 501-year-old record of 39,507 ounces, Guyana Gold Board returns show. The board, sole official buyer of raw gold here, collected 39,000 ounces of raw gold in 1990, surpassing the year's target of 30,000 ounces by mid-November, and far outstripping 1989's 17,288 ounces.

The board was aiming to surpass the 1939 record of 39,507 ounces, but gold sales dropped in the latter part

of December after heavy rainfall in the hinterland gold mining areas. Official declarations of gold finds here fell sharply in the past decade chiefly due to high equipment and hinterland transportation costs that reduced activity, and a vibrant black market in gold.

Gold Board Chairman Kenneth Bancroft said the increased declaration in 1990 was assisted by the linking of the official gold price to the higher, free market exchange rate since the Cambio system was introduced in March, 1990. Within days of the new pricing system, the board recorded an upswing in declaration, as unofficial transactions lost their competitive edge. New technology, and a five-month amnesty for the sale of gold by non-miners also helped increase gold declarations.

The gold board paid about G 630 million dollars (one Guy dollar = 2.2 U.S. cents) to sellers of gold during 1990. Gold production is expected to show further marked increases if a joint venture by the Cambio and Golden Star Resources Companies at a remote hinterland mine goes into production after current surveys.

Golden Star Resources, a Canadian mining company, and Cambio have approved a feasibility study of the "Omai" mine project. A $3 million budget has been approved for the first six months of this year to complete preparatory works on the project. President Desmond Hoyte, whose administration has targeted largely untapped mineral and forest resources here for urgent development, said in a traditional New Year's message that the Omai mine would be the largest of its kind in South America.